



**Livestock and Seed Program
Audit, Review, and Compliance Branch
Quality System Audit Report**

AUDIT INFORMATION

Applicant Name:	BCS Öko - Garantie GmbH (BCS)
Est. Number:	N/A
Physical Address:	Cimbernstrasse 21, 90402 Nürnberg, Germany
Mailing Address:	Same
Contact & Title:	Tobias Fischer, Head of International Department
E-mail Address:	fischer@bcs-oeko.de
Phone Number:	49 911 4243931
Auditor(s):	Rick Skinner
Program:	USDA National Organic Program (NOP)
Audit Date(s):	May 30, 2008
Audit Identifier:	NP7253EEA
Action Required:	No
Audit Type:	Corrective Action Audit
Audit Objective:	To verify that the corrective actions adequately address the non-compliances from the on-site Accreditation Renewal Audit.
Audit Criteria:	<ul style="list-style-type: none">• 7 CFR Part 205, National Organic Program; Final Rule, dated December 21, 2000, Updated December 12, 2007
Audit Scope:	The company's submitted corrective actions.
Location(s) Audited:	Desk

BCS Öko - Garantie GmbH (BCS) submitted corrective actions dated March 6, 2008, and received by the auditor on March 18, 2008.

FINDINGS

The corrective actions submitted by BCS adequately addressed the eleven non-compliances identified during the on-site Accreditation Renewal Audit conducted in Germany, China, and Romania (NP7253EEA).

(China)

NP7253EEA.NC1 – Adequately Addressed - NOP §205.206(c)(6) states, “Weed problems may be controlled through : (6) Plastic or other synthetic mulches; Provided, that they are removed from the field at the end of the growing or harvest season.” *During the witness inspection one farmer was using plastic row covers in the corn field but this was not included in the organic system plan.* **Corrective Action:** The operator's organic system plan was updated by the operator to include the use of mulch foil. The



**Livestock and Seed Program
Audit, Review, and Compliance Branch
Quality System Audit Report**

updated organic system plan is on file at BCS. The operator was again informed by BCS that it is his duty to update his organic system plan whenever any change within the production system occurs as failing to do so may result in a noncompliance.

NP7253EEA.NC2 – Adequately Addressed - NOP §205.402(b)(2) states, “The certifying agent shall within a reasonable time: (2) Provide the applicant with a copy of the on-site inspection report, as approved by the certifying agent, for any on-site inspection performed.” *During the processor inspection the client stated he had not received a copy of the previous inspection report. The inspectors stated that the clients do not receive a copy of the inspection reports unless they request one because the reports are in German.* **Corrective Action:** BCS had provided a copy of the inspection results in Chinese to the operators, but not the whole report. BCS is creating a new inspection report which will be bilingual in Chinese/German or Chinese/English. BCS has stated that they will use the new inspection formats beginning in April 2008.

NP7253EEA.NC3 – Adequately Addressed - NOP §205.406(a) states, “To continue certification, a certified operation must annually pay the certification fees and submit the following information, as applicable, to the certifying agent: (1) An updated organic production or handling system plan.” *The Inspector and translator stated that they generally receive the organic production and handling plan before inspections but in rare occasions because of the remoteness of the operation may not. In these instances the organic system plan (OSP) is received during the inspection and then forwarded to BCS. Without receiving the OSP, the BCS office cannot meet the requirements of §205.406(b). Additionally, BCS Germany did not provide the 2007 OSP to the audit team prior to the inspection. The inspector stated he received the 2007 OSP on August 2, 2007 and forwarded it to BCS Germany, but it was never provided to the auditors.* **Corrective Action:** BCS Central offices in Germany have instructed BCS China that no inspection can be carried out without having received an updated OSP from the operator, or a communication that the OSP actually on file at BCS has not been changed and remains valid. BCS had, by mistake, translated the previous version of the OSP (dated January 2007) and provided it to the audit team prior to the inspection.

(Germany)

NP7253EEA.NC4 – Adequately Addressed - §NOP 205.404(c) states, “Once certified, a production or handling operation’s organic certification continues in effect until surrendered by the organic operation or suspended or revoked by the certifying agent, the State organic program’s governing State official, or the Administrator.” *The Master Certificate contains the phrase “Next renewal date_____”, This statement comes right under the phrase “Effective date of certification_____.” It is unclear if the certification or the certificate expires, and the company management was not clear on this point. The wording suggesting that the certification remains in effect..... was not contained in the certificate to clearly distinguish that certification remains in effect.* **Corrective Action:** BCS revised its NOP certificate format to include the phrases as required by the NOP. The revised certificate format does not indicate that it expires and that the “certification remains in effect until surrendered...” BCS plans to start using the new certificate format in March 2008 after implementing the new database.

NP7253EEA.NC5 – Adequately Addressed - §NOP 205.406(a)(1) states, “To continue certification, a certified operation must annually pay the certification fees and submit the following information, as



Livestock and Seed Program Audit, Review, and Compliance Branch Quality System Audit Report

applicable, to the certifying agent: An updated organic production or handling plan which includes (i)(ii).” The BCS document, BCS Information on the Application for Certification and Inspection According to the United States of America National Organic Program (NOP) dated 10/25/06 requires an updated OPS to be sent to BCS prior to February 15 each year. *Per management interview and client file review, it was concluded that the OSP is not required by the date specified in the BCS document, nor prior to the inspection as required by 205.406(b) of the Regulation. The inspector may retrieve information concerning the updated OSP during the inspection and inspection/certification is not held for the updated OSP. A non-compliance may be issued if the OSP is not received, but this is not always the case.* **Corrective Action:** BCS has updated the cited document “Information on the Application for Certification and Inspection According to the United States of America National Organic Program (NOP), Section 8, Ongoing Certification”. This section requires the updated OSP to be submitted and received by BCS in sufficient time for review prior to the on-site inspection. BCS has also mentioned that if the OSP is not presented prior to inspection, BCS will not carry out the NOP inspections on-site.

NP7253EEA.NC6 – Adequately Addressed - §NOP 205.402(b)(2) states, “The certifying agent shall within a reasonable time: Provide the applicant with a copy of the on-site inspection report, as approved by the certifying agent, for any on-site inspection performed.” *BCS currently provides the client with a copy of the inspection report immediately following the inspection via the inspector leaving a copy with the operation. This policy does not allow for the certifying agent to approve the report prior to providing it to the client.* **Corrective Action:** BCS has revised the procedure. Accordingly, BCS will only leave a document with the result of the inspection on-site to be signed and therewith approved by the operator. After revision/certification, BCS will provide the final version of the inspection report together with the certification decision to the operator.

NP7253EEA.NC7 – Adequately Addressed - §NOP 205.402(a)(2) states, “ Upon acceptance of an application for certification, a certifying agent must: Determine by a review of the application materials whether the applicant appears to comply or may be able to comply with the applicable requirements of subpart C of this part.” *The requirement could not be verified through the client file review, since neither the files nor other client documentation contained evidence of the required review.* **Corrective Action:** BCS has revised the application form and has included a place for the signature of the responsible reviewer. The new procedure and form was implemented in August 2007.

NP7253EEA.NC8 – Adequately Addressed - §NOP 205.501(a)(8) requires the certifying agent to provide sufficient information to persons seeking certification to enable them to comply with the applicable requirements of the Act and the regulations in this part. *BCS does not provide the Regulation in the language of its Chinese and German clients. During the witness audit of the producer the client stated that he has trouble understanding the regulation as he is not fluent in English. BCS provides only a matrix that explains the differences between the EU and NOP regulations.* **Corrective Action:** BCS will translate the document “Information on the Application for Certification and Inspection according to the United States of America National Organic Program” into German and Chinese in order to supply the client with sufficient information about the NOP. BCS plans to start using the translated documents in April 2008.



**Livestock and Seed Program
Audit, Review, and Compliance Branch
Quality System Audit Report**

NP7253EEA.NC9 – Adequately Addressed - §NOP205.662(b) states, “When a certified operation demonstrates that each noncompliance has been resolved, the certifying agent or the State organic program’s governing State official, as applicable, shall send the certified operation a written notification of noncompliance resolution.” *The client file review did not contain the client response to cited non-compliances. The files do not clearly indicate that a review of the client responses occurs. BCS does not provide the client a resolution letter; however, they do issue a revised letter of certification that has the resolved non-compliances removed from the previous letter of certification. BCS also issues a revised certificate if necessary for a revised issue date.* **Corrective Action:** BCS has developed and submitted copy of a document called “Notice of Noncompliance Resolution to Operator.doc” which informs the operator about the resolution status of the noncompliance.

NP7253EEA.NC10 – Adequately Addressed - NOP §205.642 Fees and other charges for certification states, “Fees charged by a certifying agent must be reasonable, and a certifying agent shall charge applicants for certification and certified production and handling operations only those fees and charges that it has filed with the Administrator.” *BCS adopted a new fee schedule on December 31, 2006, and is currently using the schedule matrix for charging. The company has not filed this changed schedule with the Administrator.* **Corrective Action:** BCS stated that they will immediately submit any change in scale of fees to the Administrator as requested by the NOP.

NP7253EEA.NC11 - Adequately Addressed - NOP §205.501(a)(4), General Requirements for Accreditation states, “Use a sufficient number of adequately trained personnel, including inspectors and certification review personnel to comply with and implement the organic certification program...” *The witness inspection in Eastern Romania found that there was no procedure in place to evaluate the accuracy of antibiotic use in the goat/sheep herds. The certifier did not require the reconciliation of treated animals and herd records.* **Corrective Action:** BCS conducted an inspectors training in February 2008 concerning the NOP organic standards and instruction about the prohibition of antibiotics in organic husbandry according to the NOP and the obligation for reconciliation from the organic herd of animals which have been treated with antibiotics. The manager of BCS Romania participated in this training and was included on the training record that was submitted.